

## NanoTech Entertainment Letter to Shareholders

The NanoTech Board of Directors wishes to provide a shareholder update regarding corporate reorganization, business summary, and forward looking improvements planned for the coming months. As many shareholders have recently communicated, the board is equally disappointed with the current price per share and market valuation especially during this unprecedented time of growth for the company. We are confident in the future of the company and the success that will return shareholder value.

Effective immediately, the board is announcing the departure of Peter Riordan as CEO. Chairman Jeff Foley will act as interim-CEO and lead the efforts, to affect several changes in operations including a search for a new CEO. Mr. Foley will immediately implement an improved communications strategy with the board, the shareholders, users and the media. We thank Mr. Riordan and wish him well in his future business ventures.

The current valuation is not indicative of the actual business operations and the many major accomplishments the company has experienced with its flagship UltraFlix network in the past year including:

- Releasing support for several new high profile hardware platforms
- Being a featured app on Roku and Sony TV's
- Increasing the library offering by 4 times including major studio offerings increasing in the past year from 10 titles to over 1,000 titles
- Establishing exclusive distribution of 4K Ultra HD Movie Offerings from Major Studios including several new releases such as Terminator Genisys
- Releasing original content with major partners such as the San Francisco 49ers
- Customer base growth over 1000% including a recent 10 times month over month growth during the past 2 quarters
- Establishing UltraFlix as the source for the best quality versions of any movies available by any consumer network
- Being featured in store promotions with major brands including Sony and Vizio

Moving forward, Mr. Foley will be implementing a go forward strategy which should not only bolster shareholder confidence, but help propel the company into even more significant accomplishments this quarter and entering into 2016. Some of the short term goals include:

- Working with financial consultants to define and implement a recapitalization plan that will substantially reduce debt early in 2016.
- Continue to expand the movie catalog including the addition of more major studio catalogs, original content, live events, and exclusive offerings
- Expand exclusive vertical channel offerings such as Armada TV and the San Francisco 49ers channels
- Continue to add new platforms and devices including Apple TV
- Identify acquisition targets in both the content and technology sectors to accelerate growth
- Establish regular communications and updates to shareholders every month
- Work with new strategical consultants to help implement organizational, staffing, communication, and technology strategies for continued growth.

With the holiday season at hand and the growth we are experiencing, it has been very encouraging that our efforts are showing such progress. The number of 4K TV's being sold and projected 4K TV sales, will ensure that UltraFlix will be available to an extremely large customer base, and the TV manufacturers have continued to make sure their users know about the largest 4K content library we have to offer.

Thank you for your patience during these extremely busy times, and we will be communicating our progress as we move forward.

We want to hear from you so that we can regularly address any questions or concerns, as well as provide updates on a regular basis. Please contact Dan Wong at 858-381-5740 or [dan@ntek.com](mailto:dan@ntek.com)

Jeffrey A. Foley - Chairman